MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BSM 3104 – STRATEGIC MANAGEMENT

(All Sections/ Groups)

21 OCTOBER 2017
2.30 P.M. to 4. 30 P.M.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This questions paper consists of **THREE (3)** pages excluding cover page.
2. Answer **ALL** questions in **Section A and Section B.** The marks for each question is given in the question paper.
3. Please write your answers in the Answer Booklet provided.

SECTION A

Answer **ALL** Questions. You are encouraged to include detailed explanation, personal opinions and examples to illustrate your answer.

Question 1

Workplace diversity means creating an inclusive environment that accepts each individual's differences, embraces their strengths and provides opportunities for all staff to achieve their full potential. Valuing difference allows each person to contribute their unique experiences to the workplace and can impact positively on not only internal activities and relationships, but the experiences of customers and other stakeholders as well. Explain **THREE (3)** strategic benefits of developing a diverse workplace in organization.

(15 Marks)

Question 2

Finance is one of the most important functions of any business. Not only is finance a good indicator of the health of the company overall, but it also holds an important role in managing business growth. Discuss **FOUR (4)** strategic finance or accounting issues faced by organizations.

(20 Marks)

Question 3

Strategy Evaluation is as significant as strategy formulation because it throws light on the efficiency and effectiveness of the comprehensive plans in achieving the desired results. The managers can also assess the appropriateness of the current strategy in current dynamic world with socio-economic, political and technological innovations. However strategy evaluation is getting more difficult due to certain reasons. Discuss **THREE (3)** reasons why strategy evaluation is more difficult for current organization.

(15 Marks)

Continued...

Section B
Answer **ALL** questions. You are encouraged to include detailed explanation, personal opinions and examples to illustrate your answer.

F&N plans to sell more overseas: China, Middle East eyed
Source: The Star
Published on: Friday, May 5th 2017
Authors: S. Puspadevi

KUALA LUMPUR: Beverage producer Fraser and Neave Holdings Bhd (F&N) plans to sell more in overseas markets due to the softer consumer sentiment in Malaysia. Group chief executive officer Lim Yew Hoe said the company would grow market share in the Middle East and is planning to enter China to achieve a better financial performance. Apart from having a footprint in 54 countries, Lim said F&N aimed to grow its export business in Muslim nations by leveraging on its halal status.

He said the company has a target of RM800mil in export revenue from Malaysia and Thailand by 2020. F&N's exports account for more than 10% of the company's total revenue. "Going forward, exports from Malaysia should surpass our RM500mil sales target ahead of the 2020 deadline," Lim told a media briefing on the company's financial performance for the first half of financial year 2017 (H1'17). The company's financial year ends on Sept 30. For the first time, the company's Thailand operations – known as Food and Beverage Thailand (F&B Thailand) – registered an operating profit which surpassed F&B Malaysia in H1'17. The higher demand for F&N's core products and favorable ringgit/baht translation led to F&B Thailand's operating profit rising 34.4% to RM144.81mil during H1'17 from RM107.76mil in the same period a year ago.

"This goes to show that Thailand will be the next growth driver in our business, as we build on capacity expansion in the region," Lim noted. Following its five-year transformation plan to transition into one of the most asset-efficient and profitable beverage companies in the region, he said the company would not diversify into a new product line but would focus on product innovation.

F&N has set aside an additional RM200mil in capital expenditure (capex) over the next two years, apart from the RM300mil capex announced previously, to innovate and be on a competitive edge. "This capex will be used to build the water line and combi blow, mold and filling machine in Shah Alam, as well as expand capacity in sweetened condensed milk in Thailand, among others," he added.

Moving forward, Lim expected an increase in input costs in the next few quarters due to an uptrend in packaging, milk powder and sugar prices. Despite the rise, Lim said F&N would maintain prices and closely monitor the prices of raw materials. "We will continue to remain vigilant and responsive to changes in the external environment and take necessary action to maintain our sustainability in revenue and profitability," he added.

Continued...

F&N's first-half performance reflected the current state of the economy with continued weak consumer sentiment, rising inflation and intense competition. "It also reflects the additional costs incurred in the implementation of the transformation program and the harmonization of our distribution system," he said.

F&N's net profit was up 18.2% to RM107.08mil for the second quarter ended March 31 on a lower revenue of RM992.74mil from RM1.01bil in the same quarter a year ago. It has maintained an interim dividend of 27 sen per share for the period. The stock closed unchanged at RM24.88 yesterday, with 9,300 shares changing hands. The company has a market capitalization of RM9.12bil

Question 4

F&N is planning to sell their products in China and Middle East Markets. Discuss **FIVE (5)** advantages of having Global Strategy.

(25 Marks)

Question 5

Penetrating new market will be a momentous challenge for F&N to compete with domestic products. Describe product positioning steps that F&N should follow to capture the market share.

(25 Marks)

End of Page